



SYNOPSIS:

This bill would prohibit health insurance companies and other entities from regulating what physicians, other health care providers, and pharmacists may tell patients about the cost of the treatment or medication they are receiving, or from informing individuals about alternative treatments or medications that may be lower in cost.

This bill would provide that any contractual clause prohibiting a health care provider or pharmacist from sharing information about costs and alternative treatments or medications, or penalizing a health care provider or pharmacist for providing this information, would be unenforceable.

This bill would prohibit health insurers and other entities from taking action against a health care provider or pharmacist for providing such information.

This bill would further permit a health care provider or pharmacist to recover damages from a health care insurer who takes adverse action, on the basis of a contract or otherwise.

A BILL
TO BE ENTITLED



AN ACT

Relating to health care providers; to bar enforcement of contractual provisions that apply to health care providers and pharmacists which forbid or penalize disclosure of information to patients or other individuals about the cost and availability of treatment or drugs; to prohibit contractors from taking adverse action against health care providers and pharmacists for disclosing cost and treatment information to patients or other individuals; and to provide a civil action to health care providers and pharmacists.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1.(a) For the purposes of this section, the following terms have the following meanings:

(1) HEALTH CARE PROVIDER. The term includes:

a. A pharmacist licensed pursuant to Chapter 23 of Title 34, Code of Alabama 1975.

b. A physician or other health care professional licensed pursuant to Chapter 24 of Title 34, Code of Alabama 1975.

c. An optometrist licensed pursuant to Chapter 22 of Title 34, Code of Alabama 1975.

(2) HEALTH INSURER. An entity subject to the insurance laws of this state and the rules of the Department of Insurance of the State of Alabama, or a health maintenance organization operating pursuant to Chapter 21A of Title 27, Code of Alabama 1975, or a nonprofit hospital or health service corporation organized pursuant to Article 6, Chapter



20 of Title 10A, Code of Alabama 1975, that contracts or offers to contract to provide, deliver, arrange for, pay for, or reimburse any of the costs of physical, mental, or behavioral health care services, including pharmaceutical services. The term includes a pharmacy benefits manager or pharmacy benefits manager affiliate subject to the licensure requirements of Chapter 45A of Title 27, Code of Alabama 1975, or any other entity providing a plan of health insurance, health benefits, or health services.

(3) OTHER CONTRACTING ENTITY. The term includes all of the following:

a. A hospital, nursing home, or health care institution licensed under Article 2, Chapter 21, Title 22, Code of Alabama 1975.

b. An institution that provides postsecondary education, laboratory services, or performs clinical research.

c. A manufacturer, distributor, or supplier of drugs, medical devices, diagnostic equipment, durable medical equipment, or any other service or product that may be used in providing health care.

(b)(1) Subject to the limitations set forth in Sections 34-23-8 and 34-23-8.1, Code of Alabama 1975, a health care provider, in the scope of his or her professional practice, may provide a patient or customer with any of the following information:

a. The estimated cost of a treatment or drug, including the cost in the absence of insurance coverage; the allowed amount for payment or reimbursement under a plan of health



benefits; and a cost-sharing amount to be owed by a patient or customer, such as a deductible, copayment, or coinsurance.

b. A treatment or drug that is less expensive than the treatment or drug under consideration between the health care provider and the patient or customer.

c. The availability of a treatment or drug that is an alternative to the treatment or drug under consideration between the health care provider and the patient or customer, including the off-label use of the treatment or drug, provided that it is within the standard of care for treatment of the disease, condition, or symptom of the individual.

(2) A health care provider, relying upon professional knowledge or experience that is within the standard of care of his or her profession or specialty, may opine on or otherwise provide an individual with information on any of the following topics:

a. The cost of a treatment or drug.

b. The comparative costs of treatment or drugs that are available for the treatment of a disease, condition, or symptom.

c. The comparative effectiveness of available treatments or drugs, including so-called alternative treatments or drugs or the off-label use of treatments or drugs, for the treatment of a disease, condition, or symptom.

(c) (1) A health insurer or other contracting entity may not cancel or refuse to renew a contract with a health care provider, or penalize or take any adverse action against a health care provider, regardless of whether the penalty or



adverse action is provided for in a contract, or otherwise retaliate against a health care provider, as a result of the health care provider providing a patient, customer, or other individual with any information described in subsection (b).

(2) Any provision in a contract between a health insurer or other contracting entity and a health care provider that prohibits a health care provider from providing a patient, customer, or other individual with the information described in subsection (b), or which otherwise imposes any penalty, adverse consequence, or monetary disincentive on a health care provider for providing a patient, customer, or other individual with the information described in subsection (b), is unenforceable in the courts of the State of Alabama.

(d) A health care provider who suffers adverse action as described in subsection (c) may bring an action against a health insurer or other contracting entity in the circuit court of the county in which the contract with the health insurer or other contracting entity is performed by the health care provider, for the following:

- (1) Actual damages.
- (2) Equitable relief.
- (3) Reasonable costs and attorney fees.

Section 2. This act shall become effective on October 1, 2025.